

**EAST AFRICAN SUBREGION
(KENYA, TANZANIA, & UGANDA):
TRANSPORTATION MANAGEMENT AND
HARMONIZATION OF STANDARDS TO
FOSTER AGRICULTURAL TRADE**

**POLICY MEETING
SEPTEMBER 12, 2001
THE NOVOTEL MOUNT MERU
ARUSHA, TANZANIA**

**SPONSORED BY:
U.S. DEPARTMENT OF AGRICULTURE'S FOREIGN AGRICULTURAL SERVICE
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT'S
AFRICA TRADE & INVESTMENT POLICY INITIATIVE**

RECOMMENDATIONS

TRANSPORTATION MANAGEMENT

TRANSPORTATION MANAGEMENT RECOMMENDATIONS

SEPTEMBER 12, 2001

RECOMMENDATION NO. 1

PORT PERFORMANCE IMPROVEMENT

1.1 Background

The ports of Mombasa and Dar es Salaam are the major gateway to East Africa and the Great Lakes region. Most of the exports and imports from these countries pass through the ports and this emphasizes the crucial role they play in facilitating trade within the region and the outside world.

The flow of cargo through the ports is affected by multiple inefficiencies.

1.2 What is being done (Mombasa/Dar es Salaam)

- Various parties involved in documentation have been brought under one roof to ease and hasten clearance procedures and reduce bureaucracies.
- In case of Mombasa mandatory stamps have been reduced from 18 to 4 late last year.
- There are regular joint meetings between stakeholders on regional basis (under northern and southern corridors).
- The container terminal in Dar es Salaam has been privatized while Mombasa terminal is under discussion.
- Joint verification has been introduced in Mombasa port.

1.3 What needs to be done:

- There is need to streamline documentation procedures further.
- The ships turn around is low and requires improvement to match the best in the industry (15 moves for Mombasa and 20 moves for Dar es Salaam).
- Increasing the moves from the current to at least 35 movers per hour.
- Enhance computerization in port operations with stakeholders, while the Dar es Salaam container terminal have been computerized.

1.4 Benefits:

- Faster clearance of cargo and de-congesting of the ports
- Optimum use of existing resources
- Reduced costs for ship owners and lower prices for imported goods and the regional exports will be more competitive in the world market
- Attract more business to the ports

1.5 Costs:

- Rehabilitation/Refurbishment of existing port equipment and acquisition of new ones will require funding.
- There will be a need for training and exposure to port operations for employees/staff (Capacity Building).
- Investment in IT (Computerization)

1.6 Sources of Funding:

- Individual governments of East Africa Countries
- Inclusion of Strategic Partners/Investors
- Donors

RECOMMENDATION NO. 2

EXPEDITED CUSTOMS CLEARANCE AND TRANSIT CONTROLS

2.1 Background:

Customs Clearance

Customs clearance affects the volume of trade and the speed with which cargo is handled from the port of entry to the final destination. Minimum customs clearance time at loading points, borders and destination points should be determined and adhered to.

Transit Monitoring Controls

The ports of Mombasa and Dar es Salaam are the main gateway to landlocked countries of Uganda, Rwanda, Burundi and Eastern parts of Democratic Republic of Congo (DRC). Goods destined to these countries primarily transit through Kenya and Tanzania. On the other hand the inland ports of Mwanza, Port Bell, Kisumu and Jinja also play a major link to the railway and road transportation system of goods within the region.

As provided for in the Customs and Excise Acts, Customs duties are not collected on goods-in-transit. Instead revenue due is secured by a Customs bond (Transit Bond). Transit country Customs authorities have therefore to contend with the problem of diversion of some of the goods in transit into the local market, hence the need to track and control transit goods. Systems for tracking and control should avoid undue delays for the movement of goods.

2.2 What has been done:

- Multiple Customs documents have been merged into one document-the Single Entry Document (SED) which is in the format accepted in the East African region.
- Establishment of Transit Goods Monitoring Units within the Customs Departments of East Africa.

2.3 What is being done:

- Physical escort of goods in transit in convoys by Customs and Police in Kenya
- Execution of security bonds by transporters of goods in transit within the region.
- Frequent meeting between stakeholders to sort out impediments on clearance and movement of goods within the region.
- Negotiations are being held between Kenya Revenue Authority, Kenya Railways Corporation and Ministry of Finance on the possibility of exemption of transit goods transported by rails (Block trains) from the requirement of Transit Bond within the northern corridor.
- Negotiations are also being held for a regional customs transit bond to cover transit cargo movement in the East African region.

2.4 What needs to be done:

- Further simplification and harmonization of customs procedures within the region.
- Harmonization of working hours between various departments involved in the clearance and handling of goods within the region. A 24 hours operation is recommended for all departments involved in the handling of transit goods.
- Introduction of computerized tracking system for transit goods.
- Linkage by computer of Customs authorities and other stakeholders within the region.
- Urgently finalize negotiations on a single regional transit bond and waiver of transit bond for transit goods transported on block trains.

2.5 Benefits

- Enhanced volume of trade and improvement on turn-around time for trucks and railway wagons.
- Improved transit cargo handling and lower costs to operators.
- Easier monitoring of cargo within the region
- Easier and faster bond cancellation for transit cargo, since it will be possible to confirm exportation on the computer system.

2.6 Cost Implications:

- Costs related to harmonization of extended working hours for the organizations involved.
- Cost of a computerized cargo-tracking system.
- Cost of re-engineering of the existing systems to accommodate a new document tracking system.

2.7 Sources of funding:

- East African Governments
- Private Operators
- Donor Agencies

RECOMMENDATION NO. 3

HARMONIZATION OF AXLE CONFIGURATION AND ELIMINATION OF INEFFICIENCIES AT WEIGH BRIDGES WITHIN EAST AFRICA

3.1 Background:

Axle load controls are being practiced in the three East African states but under different regulations. However while enforcing the rules care should be taken to ensure that the rate and volume of trade is least interrupted.

3.2 What has been done:

The governments have sensitized transporters on the importance of axle limits in preserving and protecting roads from damage caused by overloading. The transporters accept the concept and co-operate. In Tanzania management of weigh bridges has been moved from ministry of works to TANROADS.

3.3 What is being done:

The governments are introducing single platform computerized weigh bridges to check over loading per axle. The intention is to have the whole vehicle weighting process computerized.

3.4 What needs to be done:

- Harmonization of the axle load limits regulations
- Harmonization and standardization of vehicles axle configurations to minimized over loading
- Standardization of weigh bridge procedures and reducing the number of vehicle weighing points.
- Install weigh bridges at loading points to check compliance and issue certificates.
- Provide the right equipment and facilities for weigh bridge maintenance and calibration.
- Conducting training for staff at weight and measures unit and weigh bridge station.

3.5 Benefits to Stakeholders:

The benefits accrued include:

- Reduction of vehicle operating costs
- Timely arrival of goods
- Enhanced pay loads and therefore low goods transportation costs and better prices to the consumer
- Reduction of road maintenance costs.

3.6 Costs and Source of Funding:

- There will be costs incurred in weigh and measures and weigh bridge operation, improvement and up-dating of equipment and vehicle axle configuration study.

- The source of funding to be from governments and donor community.

RECOMMENDATION NO. 4

IMPROVEMENT OF RAIL TRANSPORT SECTOR

4.1 Background:

The Railway is a major mode of transportation especially for bulky long haul commodities. It is thus particularly important when it comes to promotion of regional trade. Trade is on the other hand sensitive to, among others, safety, rate of traffic flow, and availability of wagons. There is therefore need to standardize, regulate and enforce wagon axle loads and maintenance of rolling stock and infrastructure with a view to not only enhancing trains safety and encouraging fair competition among the regional railways, but also minimizing undue wear and tear on the rolling stock and rails. In this regard a regional railway harmonization system is important.

4.2 What has been done:

- Regulations have been issued to all staff involved in acceptance of goods and seminars have been held with clients to educate them about loading with emphasis on observance of specified wagon load limits.
- Penalties have been formulated for overloading and cost of transshipments to be borne by the consignors.
- In case of Kenya a modern in-motion electronic weigh bridge has been commissioned at Changamwe to detect any overloaded wagons to and from Mombasa.
- A railways task force under the East African Community secretariat has been formed to address modalities of harmonizing the restructuring of the railways systems in the region.

4.3 What is being done:

- Wagon loads are being weighed more efficiently through the modern electronic in-motion weigh bridge at Changamwe and random weighing is being done at a selection of up-country stations using the older static manual weigh bridges.
- Safety audits are being conducted on wagon weights and deterrent measures taken to non-compliant members of staff and customers.
- A consultancy is being considered to study and assess the restructuring process for the Railways of East African Countries by the end of the year. The study will among other cover management, infrastructure, legislation, and investment issues.

4.4 What needs to be done:

- Review the axle loading and maintenance standards established during the previous East African Community and confirm their validity or otherwise propose amendments where necessary.
- Documenting and measuring losses and excess costs in East Africa rail transportation done to in a efficiencies resulting from inadequate reinvestment in rolling stock and infrastructure.
- Establish a joint standards monitoring systems and procedures applicable to all the three

- railways in the region with a view to enhancing fairness, safety and operational efficiency.
- Identify the highest priority areas for investment including but not limited to in motion weigh bridges at the most strategic locations.
 - Explore and identify restructuring options with a view to improving rail efficiency in the region.

4.5 Benefits to the stakeholders:

- Wagons loaded within permitted axle loads and properly maintained rolling stock and rails are less susceptible to accidents and thus help not only reduce maintenance and compensation costs to the regional railways but also have goods delivered to destinations in time.
- Whereas reduced accidents is a measure of improved service quality, reduced maintenance costs should to a degree translate into reduced cost of transportation (tariff) which in turn is an encouragement to traders and regional trade as a whole.
- Effectively regulated axle load standards obviate unfair competition in the form of the tendency for traders to go for the overloading (non-compliant) railways routes in preference for the compliant ones. Compliance in regulated axle loads as well as improved rolling stock and track maintenance will also result in improvement wagon turn-rounds.

4.6 Costs:

The main costs involved in this proposal will be those pertaining to:

- Purchasing of modern in motion weigh bridges and re-investment in rolling stock and track.
- Initial and subsequent axle load and maintenance standards reviews and monitoring.
- Facilitating the restructuring process of the regional railways.

4.7 Source of Funds:

- Governments
- Investors
- Donor Community

RECOMMENDATION NO. 5

THE NEED FOR DATA COLLECTION/INFORMATION DISSEMINATION

5.1 Background:

There is need for better information/data collection and dissemination within the transport industry. One way to do this is through strengthening transport/business associations.

5.2 What is being done?

Initiatives have been taken within the three countries to form transport associations by the private sector. Initiatives have been taken to computerize data where it is available, and attempts are underway to create websites where possible. Initiatives have also been taken to generate data and information to be shared by both the private and public sector.

5.3 What needs to be done?

Where initiative has been taken, support should be extended especially for capacity building. This support should include technical assistance extended to the responsible Associations.

5.4 Benefit to stakeholders:

The created transportation database shall be useful and accessible to the private and public sector in the region. This will facilitate planning and efficient management of the transport industry in the region. This will reduce transport costs and facilitate smooth movement of cargo.

5.5 Costs and Source of Funds:

The stakeholders have started to contribute towards the formation of associations. In the short run, it shall be necessary to solicit for funding to have the associations started and established. However, the long-term sustainability of the associations shall be the responsibility of their members.

RECOMMENDATION NO. 6

ADDRESS ROAD SAFETY AND QUALITY ISSUES WITHIN EAST AFRICA

6.1 Background:

The position of road safety within the region remains a serious concern to both transit trucks and local transporters. For example in Kenya annual losses occasioned by road accidents are estimated by the Insurance Industry at K.sh 4 billion.

6.2 What is being done:

Under the EAC Secretariat a task force has been formed to address the road safety issues in the region. It is therefore necessary to legislate Road Safety measures.

6.3 What needs to be done:

- East African Community has a Task Force on Road Safety. This task force should harmonize and develop programs and activities of road accident, counter measures, accident rescue, post trauma, publicity and education. In so doing also harmonize various laws touching on this e.g. Traffic Acts, traffic regulations, local governments Acts, vehicle inspection standards, registration, vehicle driving standards, transport equipment etc.
- There is need to review, harmonize and enforce regulations governing the transportation of dangerous goods in the region.
- Harmonization of the third party insurance scheme (yellow card) within the region.

6.4 Benefits to Stakeholders:

- Lives will be saved on the roads
- There will be increased confidence in traveling
- Reduced bed occupancy due to injuries

6.5 Costs:

- Cost of enabling the task force on safety to finalize its work.
- Cost of reviewing the regulations governing dangerous goods

6.7 Source of Funds:

- Source individual governments
- Insurance companies
- Donor community

RECOMMENDATIONS

HARMONIZATION OF STANDARDS

HARMONIZATION OF STANDARDS RECOMMENDATIONS PRESENTED SEPTEMBER 12, 2001

HARMONIZATION OF STANDARDS IN THE EAST AFRICAN COMMUNITY

Introduction:

In line with the objectives of the trade protocol, the harmonization of standards group identified and addressed standardization issues impeding trade. The process has been facilitated and supported by the US Department of Agriculture through funding by African Trade and Investment Policy (ATRIP). These recommendations are being presented for your consideration and direction in respect of implementation of activities towards achieving the objective of enhancing trade within the region and beyond.

Proposal 1: Accreditation

Background:

Within East African Community, there is need for uniformity of procedures for certification, inspection, metrology, registration of persons and testing laboratories. In view of this, the protocol on Standardization, Quality assurance, Metrology and Testing (SQMT) was approved by the summit of the Heads of States and signed by the Council of Ministers of East African Community and ratified by the Governments of member states. This protocol provides for the formation of a regional accreditation body.

Why Accreditation

The WTO recognizes the importance of mutual recognition of conformity assessment certificates among its member states. This is possible if the assessments have been done in accordance to international standards. Products assessed in one country do not have to undergo multiple assessments elsewhere, provided the assessment is done by internationally recognized competent bodies and personnel. The competence of laboratories, personnel, inspection, certification of products and systems is approved by international accreditation authorities. These include such bodies as the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF). ILAC and IAF are currently accrediting regional accreditation bodies that are their members. The regional accreditation bodies in turn accredit national accreditation bodies that are also their members. For example; within the European Union (EU), the European Cooperation for Accreditation (EA) is composed of member organizations within the EU member states dealing with: testing, calibration, products, quality systems and personnel certification. The European Cooperation for Accreditation (EA) is a member of the ILAC and IAF.

A regional accreditation body is needed for representing the East African states in the international forums of accredited competent professionals for testing, inspection, calibration, certification, personnel and systems registration. The body will ensure the availability of a regional network of the accredited functions not only in the region but also ensure that all these competencies are evaluated and recognized globally.

The body will also protect the East African region from self-proclaimed expatriates who cost the East African economies a lot of money due to lack of proof of their competence. Hence products have to be retested across the borders.

To encourage competition and increase professional competence in the area of assessment services like; testing, inspection, calibration, certification of products, management systems and personnel, there is an urgent need to establish an East African regional accreditation body.

Current regional status

Currently, accreditation within the EA community is carried out by bodies from outside the region. The accreditation fees charged by these bodies are prohibitive and thus limiting the number of institutions that can afford to be accredited.

Kenya under the legal notice No 90 of 1995 has established an accreditation committee, the Quality System Assessment Committee (QSAC). QSAC accredits personnel and certification bodies.

Tanzania formed a national steering committee to investigate the possibility of forming a national accreditation body. The committee requires resources to understand the role of accreditation in national economy.

Recommendations:

There is need for:

- The formation of East African Accreditation body
- The formation of National Accreditation bodies in the respective member states is a prerequisite for the formation of the regional body.

The role of the East African Accreditation body will be to accredit and coordinate the national bodies in the following areas:

- product certification
- quality management system certification
- environment management systems
- inspection
- testing laboratories
- metrology laboratories
- registration of personnel (technical assessors and auditors)

The East African Accreditation body will also serve as an arbitration institution for handling conformity assessment disputes in the region.

For the regional accreditation body to succeed, each member state needs to set up her own national accreditation system which will ensure surveillance checks of the accredited organizations in the member states.

Costs

Assistance is required for the following activities;

- Training of technical assessors to the level of registration as competent by International accreditation bodies.
- Development of national infrastructures for national accreditation systems.
- Establishment of a regional accreditation body to accredit the above areas.

Proposal 2: Capacity Building

Background:

There is inadequate capacity for conformity assessment (inspection, sampling and testing) in the region. Capacity building is needed in the following areas:

- Provision of equipment and physical infrastructure
- Training of manpower in the following areas:
 - import/export inspection
 - grading of agricultural produce
 - analysis in Genetically Modified Organisms (GMO's)
 - analysis of pesticide residues and contaminants
 - certification of organic foods
 - risk assessment and risk communication
- Strengthening data generation, analysis, storage and dissemination of information for risk assessment.
- Establishing of regional enquiry point.
- Strengthening management and coordination of information systems and linkages.

Initially there is need for training of trainers on the above areas. Private sector will be trained where applicable.

Proposal 3: Awareness

Background:

There is inadequate public/ private sector awareness on regional harmonized standards, Sanitary and Phytosanitary (SPS) measures, technical regulations, trade protocols and market requirements.

Recommendation:

There is need to intensify the awareness of the above aspects. Where harmonized standards do not exist, international standards shall apply.

Proposal 4: Private/ Public partnership**Background:**

In the past the public sector controlled all aspects of trade such as production, marketing and distribution. With liberalization of trade, the private sector is expected to take the lead.

Recommendation:

There is need to establish and or strengthen private/ public partnership through:

- establishing and strengthening channels of communication between the private and public sector.
- encouraging private sector involvement in the development and implementation of standards including funding.
- encouraging formation of private sector associations for ease of coordination.
- involvement of private sector in trade negotiations and international standardization work.

Proposal 5: Review/ Update laws**Background:**

With the liberalization of trade, some laws and regulations have become inadequate and hence impede trade.

Recommendation:

There is need to:

- expedite the process of reviewing and updating the relevant laws and regulations.
- ensure prompt notifications of Laws, Technical regulations and Sanitary and Phytosanitary (SPS) measures.
- enhance enforcement mechanism of the laws
- ensure that pre-shipment inspection and certification in relation to quality and SPS measures is done by the national designated authorities.

Benefits:

With the implementation of the above recommendations the following benefits are expected:

- Enhanced trade through reduction of unnecessary delays and transaction costs
- Continuous monitoring and management of pests and diseases.

- Improvement of consumer confidence.
- Improved flow of information

Possible Sources of Funding:

In order to implement the above proposals and realize the identified benefits, funding will be required. The following have been identified as potential sources of funding; Governments of East African countries, Private sector, USDA, USAID, UNDP, FAO, DFID, JICA.

ATTENDEES LIST

**EAST AFRICAN TRANSPORTATION MANAGEMENT AND HARMONIZATION OF STANDARDS POLICY
WORKSHOP TO FOSTER AGRICULTURAL TRADE
PARTICIPANT LIST**

KENYA

Eng. Masila, Ministry of Trade and Industry
Mr. S.K. Chebii, Commissioner General, Kenya Revenue Authority
Mrs. Rachel Arunga, Deputy Secretary, Ministry of Transport and Communication
Mr. D.M. Ndivo, Kenya Bureau of Standards
Mrs. Gladys Maina, Kenya Plant and Health Inspection Service
Mr. E.M. Sabwa, Kenya International Freight and Warehousing Association
Mr. A.M. Kitolo, Principal Economist, Ministry of Information, Transport & Communication
Dr. Esther Kimani, Kenya Plant and Health Inspection Service
Mr. J.K. Keeru, Kenya Bureau of Standards
Mr. Ali Fathili Bisbas, Director, Kenya Roads Board
Eng. P.E. Okiring, Kenya Railways Corporation
Mr. Peter Opiyo, Pest Control Board
Mr. Eng Nathaniel N. Gekonge, Ministry of Roads and Public Works
Mr. C.E. Onduso, Kenya Revenue Authority Customs
Mr. J.M. Alusa, Kenya Ports Authority
Mr. A. Mutai, Kenya Ports Authority

TANZANIA

Ms. Janet Bitegeko, Director of Policy and Planning Ministry of Agriculture and Food Security.
M Kalanje, Executive Director, Tanzania Chambers of Commerce, Industry and Agriculture.
Mr. A R Ngemera, Director of Planning Ministry of Industry and Trade
Mr. Rogasian L. Shirima , Commissioner of Customs Tanzania Revenue Authority
B. A. N. Liamba, Assistant Director of Ministry of Transport and Communications
Mr. Charles Ekelege, EAC Liaison Officer, Tanzania Bureau of Standards
Mrs. Beatrice Mutabazi, Deputy Director, Tanzania Bureau of Standards
Mr William Riwa, Section Head, Ministry of Agriculture & Food Security Plant Protection
Section
Mr. Nicholas H. Mbwanji, Managing Director, Transport Resource Center Ltd.
Mr. G. Mwenda, Secretary, Tanzania Truck Owners Association

UGANDA

Dr. Ben Manyindo, Executive Director, Uganda National Bureau of Standards
Ms. Allen Kagina, Commissioner, Uganda Revenue Authority
Dr. S. P. Kagoda, Permanent Secretary, Ministry of Trade and Industry
Mr. G.J. Iitazi, Director, Ministry of Works, Housing, and Communications
Mr. W. Aineboyona, Ministry of Finance
Mr. Mulagwe Damas, Managing Director, Uganda Grain Milling Company Ltd.
Mr. Okaasai S. Opolot, Principal Inspector, Ministry of Agriculture, Animal Industry and Fisheries
Mr. Stephen Tashobya, Chairman, Uganda Commercial Truck Owners Association
Mr. Patrick Ssekitoleko, Standards Officer, Uganda National Bureau of Standards
Mr. Godfrey O. Wandera, Commissioner, Ministry of Works, Housing and Communication,
Transport Database